

## **FINANCIAL LITERACY: MONEY SMART PROGRAM**

THDA has partnered with the Federal Deposit Insurance Corporation, or FDIC, to help make the Money Smart Program more available throughout Tennessee.

FDIC is one of the most respected forces in America's financial community. The FDIC symbol guarantees to depositors that they can depend on up to \$100,000 of deposit insurance. The FDIC's mission is to maintain the stability of and public confidence in the nation's financial system by insuring deposits and promoting safe and sound banking practices.

The FDIC created "Money Smart", a training program to help adults outside the financial mainstream enhance their money skills and create positive banking relationships. Financial education fosters financial stability for individuals and for entire communities.

The FDIC and THDA believe that the more people know about credit and banking services, the more likely they are to increase savings, buy homes, and improve their financial health and well being. The "Money Smart" curriculum helps individuals build financial knowledge, develop financial confidence and use banking services effectively.

In many instances, families need financial literacy training to prepare for homebuyer education. Many of THDA's certified trainers had indicated they needed a training curriculum for their customers who want to learn basic money management skills.

FDIC and THDA recently held regional Money Smart training sessions in Memphis, Nashville, Chattanooga and Knoxville for bankers and non-profit organizations to learn how to teach the financial literacy curriculum.

The Money Smart Program is now offered in many locations across the state free of charge to individuals. Please refer to the list of Money Smart trainers on the homebuyer education web page to find a trainer closest to you. Information on the Money Smart curriculum also is available at this website.

For more information on Money Smart, contact Mike Powers at FDIC in Memphis at 1 (901) 821-5269.

## **Money Smart Curriculum**

### **Bank on It**

This course teaches students the basics of banking. By the end of the course, students should be able to build a relationship with a financial institution. Students will learn to:

- Recognize the major types of financial institutions
- Recognize basic banking terms
- Recognize differences between banks and check-cashing services
- Identify bank employees and their jobs
- Identify the types of accounts
- Describe types of banking services

### **Borrowing Basics**

This course introduces students to the concept of credit. Students will learn:

- When and how to use credit
- The cost of credit
- The value of credit
- About different types of loans

### **Check it Out**

This course teaches students about checking accounts. Students will learn how to:

- Identify benefits of using a bank versus using a check-cashing service
- Identify types of checking account fees
- Compare types of checking accounts
- Open a checking account
- Write checks
- Use ATM and debit cards
- Keep records for a checking account
- Reconcile an account

## **Money Matters**

This course teaches students about personal budgets. Students will learn:

- The concept of budgeting
- To recognize the benefits of budgeting
- Tips to decrease spending
- To prepare and use a budgeting tool

## **Pay Yourself First**

This course teaches the importance of saving money including:

- Ways to save money
- How money can grow when you save
- Differences between types of savings and investment accounts

## **Keep it Safe**

This course will familiarize students with their rights as banking consumers. Students will learn to:

- Identify the laws that protect their rights as banking consumers
- Identify ways to avoid scams
- Identify ways to protect their identity
- Resolve complaints regarding their bank accounts

## **To Your Credit**

This course teaches students about credit reports including:

- How to order a credit report
- How to read a credit report
- How to start repairing credit
- How to recognize credit repair scams

## **Charge it Right**

This course teaches students about credit cards including:

- The costs of using a credit card
- Shopping for the best deal
- Potential problems with credit card use

**Loan to Own**

This course teaches students about consumer loans including:

- Different types of consumer installment loans
- How to determine the right loan for their needs

**Your Own Home**

This course will familiarize students with the process of getting homeownership financing. Students will learn to:

- Describe the benefits and pitfalls of renting versus owning a home
- Assess their readiness to buy a home
- Identify different mortgage programs
- Recognize basic terms used in a mortgage transaction

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